

Date

Address

Dear

Thank you for your interest in the Rhode Island Historical Preservation & Heritage Commission's easement program. The Commission has the statutory authority to accept contributions of partial interest in real property for conservation purposes through historic preservation easements. An easement is a legal instrument that an owner can use to ensure the protection and preservation of the architectural and historical character of a property while retaining use of the entire property. When owners donate easements, they give away a partial ownership interest in specified areas of their property. These restricted areas are then under the protective stewardship of the Commission in perpetuity, and any proposed construction or alteration of these portions of the property must have the prior review and approval of the Commission. The grantor is still responsible for maintenance.

Easements can be very flexible so that individual owners' needs are met. Typically, the entire exterior of a building is protected. Sometimes part or all of the interior also is protected. Generally the land surrounding a building is protected, but when the property is several acres or more, a portion of the land may be left unrestricted. The RIHPHC will help a donor to consider all the alternatives.

In general, the Commission will consider easements on buildings listed in the National Register of Historic Places or that contribute to the significance of a registered historic district. The Commission reviews applications for easement donations in a two-step process consisting of staff review and a final vote to the Commission to accept the easement. Generally, the entire donation process will take several months.

In addition to being an effective long-term means of protecting historic property, a preservation easement carries potentially significant federal income, estate, and gift tax benefits to the grantor. Under federal law, a preservation easement is treated as a charitable contribution if a) the property is certified as being historic; b) the easement contains provisions to protect the property in perpetuity; and, c) the donation is made to a qualified organization. The Rhode Island Historical Preservation & Heritage Commission easement program meets all of these requirements. Grantors should consult with their tax attorney and accountant if they are planning to donate an easement as a charitable contribution for federal income tax purposes.

The Commission requires grantors to pay an endowment equal to five percent of the appraised value of the easement. Income from the endowment is used to defray the cost to the Commission of monitoring the easements it receives. At least once a year, Commission staff will contact the owner and/or visit each property to verify its continued preservation. In addition, Commission staff are available for consultations regarding preservation or restoration plans.

The burdens of a Historic Preservation Easement to an owner intent on preserving an historic property are relatively minor—the necessity to refrain from altering significant historical features and the necessity to permit periodic inspections of the property by representatives of the Rhode Island Historical Preservation & Heritage Commission. In exchange, the owner derives the satisfaction of knowing that he or she has permanently protected an important historic property, while perhaps also receiving substantial tax benefits.

This packet of information includes the application form and additional information detailing the Commission's easement program policies and procedures. If you have any questions, please contact me at 222-4130.

Yours very truly,

J. Paul Loether  
Executive Director